



Natural Resources Conservation Service
375 Jackson Street, Suite 600
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**Minnesota USDA State Technical Committee Meeting
February 26, 2009
NRCS State Office, St. Paul, MN**

William Hunt, MN NRCS State Conservationist opened up the State Technical Committee (STC) meeting at 9:30 a.m.

The meeting location for the STC was changed from Willmar to the NRCS state office due to the weather. Hunt expressed his appreciation to the STC for their flexibility. STC introductions were made. The following individuals were in attendance at the State Office: Leonard Binstock, farmer; Greg Anderson, FSA; Les Everett, U of M; Staci Bohlen, Farm Bureau; Kevin Lines, BWSR; Tom Landwehr, TNC; Bruce Henninggard, MPCA; Ann English, William Hunt, Julie MacSwain, Tim Koehler, NRCS; Barbara Weisman and Mark Dietrich from MDA and Mike Greenheck, farmer.

Out-state Telephone attendees introduced themselves. Tim Wilson, Gary Watson, Kasey Taylor and John Nicholson, NRCS; Jeff Hastings, TU; Terry Heyer, FS; Jody Provil, MN Chapter of the Wildlife Society; John Hans, US Geological Survey; Sid Curtis, EPA; Kelvin Meir, US FWS; Sheldon Myerchin, US FWS; Tim Trekowski, MN Soybeans; Dale Walz, Stearns SWCD; Dale Lueck, GLCI; Gary Wertish, MNFU; Bob Lefebvre, Minnesota Milk Producers Association; Tom Meium, Congressman Collin Peterson's office; Brad Redlin, Izaak Walton League of America; Mark Wetloff, Dave Pressler, MN Pork Producers and Ralph Lentz.

Hunt reviewed the STC agenda item by item and asked the STC for any possible additions they may have to the agenda. Tom Landwehr suggested that Economic Stimulus dollars be added. Koehler, NRCS agreed to cover this. Greg Anderson, FSA asked to have added Research papers on CRP. Hunt suggested that this FSA addition be handled during the discussion of the SAFE program. Brad Redlin asked to have Section 202 and 203 relating to Good Faith added to agenda. All suggested items were added to the agenda.

Food, Conservation and Energy Act of 2008 (2008 Farm Bill) Rules update by Tim Koehler, NRCS

For many of the programs, we have some form or fashion of a Program rule, interim final rule, final rule, etc. Different stages of the review process are going on. NRCS and USDA are in the process of figuring out how the farm bill is going to be implemented. Comments are received nationally on the rules; final details will be forthcoming pertaining to these various programs.

Koehler encouraged participants to go on the MN NRCS website or the National NRCS website to find out more information pertaining to the 2008 Farm Bill. www.mn.nrcs.usda.gov and www.nrcs.usda.gov People can click on the Farm Bill logo to find the appropriate 2008 Farm bill information. Read the proposed rules as written and provide comment. Koehler reminded



the STC to pay attention to the deadlines pertaining to individual FB program comments. Many of the comment period deadlines are for mid-March 2009.

Some of the details pertaining to the Farm Bill are statutory in nature and we can not change those parts. Comments are being logged in nationally for the various 2008 Farm Bill rules. Koehler will send out a power point that showcases how to provide comments for the various Farm Bill rules. NRCS wants to hear from folks that will be impacted by the rules. NRCS employees are not to comment on the rules via the rule making process. Barbara Weisman, MDA reported that several State agencies in MN are working together to prepare joint state agency comments.

MN NRCS will forward out the replay information pertaining to various Farm Bill Programs (refer to the email that was sent out by Maggie today on Feb 26, 2009)...Interested Groups and Organizations for the 2008 Farm Bill. (included in these February 26, 2009 STC meeting minutes)

Koehler encouraged STC members to check out the following website:

www.gpoaccess.gov There's an easy federal register main page that you can immediately access any of the federal register information.

Les Everett wanted to know if the Farm Bill Language is available through the GPO website. Bohlen from Minnesota Farm Bureau said the Farm Bill language can be obtained on the House Ag Committee website. Everett wanted to know if this could be accessed from NRCS websites. Koehler will report back.

One of the changes in the Farm Bill is the average adjusted gross nonfarm income. FSA, via the CCC-926 Form, "Average Adjusted Gross Income Statement" is the gatekeeper on this adjusted gross income issue. This has been lowered on conservation programs from \$2.5 million down to a level of \$1 million, unless at least 66.66% of the TOTAL AGI (farm + nonfarm) is from farming. Farm Service Agency has all of the forms pertaining to this issue. Contact FSA if you have questions pertaining to the Adjusted Gross Income details. This AGI limit differs for the Commodity programs versus Conservation programs.

2008 Farm Bill Changes by Program

WRP major changes per Koehler's power point/handout.

Prior ownership requirement, changes from 1 year to 7 years. STC has the authority to waive the provision under special circumstances. STC members were reminded to comment if they think these changes should or should not be made.

Easement Compensation – Eliminates "Yellow book" process, payment not to exceed lowest of Market survey or Fair Market Value, geographic area rate cap, or landowner offer.

Individual easement payments greater than \$500,000 are to be paid in 5 to 30 annual installments, one time payments are still possible if deemed beneficial to the WRP.

Land Eligibility –If land offered for enrollment is determined eligible, then NRCS may also enroll land adjacent or contiguous to such eligible land **TOGETHER** with the eligible land if such land maximizes wildlife benefits and is: (a) farmed wetland adjoining lands enrolled in CRP, with the highest wetland functions and values, and is (b) likely to return to crop production after it leaves CRP.

Maximum Acreage Enrollment – Previous enrollment cap of 2.2 million acres, currently there are approximately 2 million acres enrolled. Raised to a total of 3,041,200 for an increase of over 1 million acres or roughly 200k acres per year for the life of the Farm Bill.

Environmental Quality Incentives Program by Tim Koehler, NRCS

Allows people who cash rent to be eligible applicants.

Payment limits have been lowered from \$450 K to \$300 K during any six year period except for projects with special environmental significance and State Conservationist waiver.

Social Disadvantaged and Historically Underserved (HU). HU Definition now includes socially disadvantaged, new and beginning farmers, and Limited Resource Producers. Authorized to receive up to 90% cost-sharing with a minimum of 25% above the otherwise applicable cost-share rate. Advance Payments – Can provide up-front up to 30% of cost of purchasing materials and contracting to be incurred by HU producers.

Wildlife Habitat Incentives Program by Tim Koehler, NRCS

Individual annual contract agreement aggregate payments have been limited to \$50k.
Violations – Authorizes the assessment of liquidated damages for contract terminations.

Agricultural Land Eligibility Requirement – Same provision as in EQIP prior to the new Farm bill; any land or person was eligible.

Ownership – must be Private ag land (including that owned by NGOs), non-industrial private forest, or Tribal lands. Units of government not eligible.

Again, this is another opportunity for members of the STC committee to comment on the proposed Farm Bill program rules.

Farm and Ranch Lands Protection Program (FRPP) by Tim Koehler, NRCS

FRPP has only been used in Dakota County, MN, even though it's a state- wide program. Dakota County was the first County in the state to pass a bond levy to implement a Farm and Natural Areas Protection Program.

Major changes are that people do not have to use yellow book or USPAPS appraisals. NRCS will no longer be listed as a primary lien holder.

Traditionally, 50% or more of the land had to be prime, unique, or other important (PUI) farmland. Now under certain circumstances, a lesser amount of land can be PUI. Les Everett asked about FRPP and other counties that might be able to apply for the program. Koehler pointed out that NRCS will be having subcommittee meetings of each of the major farm program areas. Scoring and evaluations methods will be reviewed in the near term. NRCS is waiting for the rule process to be completed. Specifically for FRPP, MN NRCS hopes to get together with the subcommittee, review scoring process, allocation, etc. FRPP is to be a national announcement. Koehler expects that by Mid-April or May that some announcements will be forthcoming.

50% match has been a challenge for entities that may want to participate in FRPP. Another possible Program rule area STC members may want to comment on.

Conservation Stewardship Program (CSP) by Tim Koehler, NRCS

Acting NRCS Chief Dave White has gone on record saying that the program will be referred to as CSP and not CStP. We do not have a rule out on the new CSP yet; stay tuned.

Cooperative Conservation Partnership Initiative by Tim Koehler, NRCS

A rule has not been developed at this point in time for the Cooperative Conservation Partnership Initiative.

Group discussion following Koehler's presentation:

Les Everett asked if the Farm Bill provided for any Educational Assistance dollars.

Koehler pointed out it is not in the 2008 Farm bill. Hunt said that there is some discussion in parts of the Farm Bill pertaining to education and information assistance. Hunt encouraged STC to comment if they felt this was a good or bad idea.

Barbara Weisman asked if NRCS has gotten caught up on technical assistance backlog. Answer is yes and no. TSP concept of NRCS having partnerships with partnering organizations and individuals in implementing the farm bill continues and has provided some additionality. FY-09: MN NRCS must utilize non-NRCS technical assistance to help implement the farm bill. Dialogue continued on how TSP's might be able to deliver technical assistance to the clientele that is typically served by NRCS. MN NRCS has been a strong technical service provider/leader in the country.

Hunt stated he is proud of the fact that our MN farmers, SWCD's and TSPs have stepped up to the plate to provide additional technical assistance. NRCS has been deficient in the past on late

rates. This simply meant that NRCS had a lot of conservation practices on the books that were not installed on the land as originally planned and scheduled. MN NRCS has basically got caught up on the late rate issue. MN NRCS recently completed a National open obligations audit review between the time frame of November-December 2008. Over 7,000 contracts were successful reviewed. MN FSA field staff cooperated in a great way with the National Audit. More follow up is needed and is occurring on the National Audit by MN NRCS staff. MN has to correctly address approximately 600 more deficiency items to satisfy last year's audit. Hunt expressed his appreciation for the work the conservation partners and NRCS staff did in helping complete the initial national audit review by the Dec. 31 deadline. The audit was totally a contracting administrative review, not a review of the conservation accomplishments that have been done on the land in Minnesota.

EQIP Financial Assistance funds can be used for some conservation planning activities. Hunt said that Organic Agriculture Transition plans are a good example of needing expertise from outside partner organizations/groups to help develop technically defensible plans for the EQIP program.

Technical Service Providers (TSP) is a national program. Our TSP registry includes people from many other states that want to do conservation work in Minnesota. MN NRCS has more TSPs registered than any other state.

Conservation Innovation Grants (CIG) by Tim Koehler, NRCS the deadline did get changed and the new due date for these grant applications is Friday, March 20, 2009. RFPs are to be sent to NRCS National Headquarters and a copy of the proposal must also be submitted to the State Conservationist.

Susan Ploetz, is the MN NRCS employee contact person for the CIG Program. (susan.ploetz@mn.usda.gov 651-602-7888). NRCS does not pay for research. We pay for trying to implement the innovative conservation practice side of a proposal.

\$20 million dollars are available nationally for the CIG programs.

Agricultural Water Enhancement Program –New Program by Tim Koehler, NRCS

Replaces the previous EQIP Ground and Surface Water Program. AWEP focuses on water conservation and water quality concerns. Producers may participate individually or collectively through partnership projects. Other program rules mirror those of EQIP.

Request for Proposals (RFP) – Proposals are due in Washington D.C. March 2nd –Update the deadline has been extended to April 1, 2009 with copies to the State Conservationist. \$58 million dollars are available nationally for the Agricultural Water Enhancement Program.

Red River Basin and the Upper Mississippi River Basin are two areas that have been Congressionally identified as priority areas for this program.

2008 Farm Bill cost-share rates: Hunt

The Acting NRCS Chief has given State Conservationist the authority to change cost sharing to higher rates where justified; e.g., 50% to 75%. With the economic challenging times upon us, enduring conservation practice and many other practice cost share rates will be increased to 75%. Wildlife cost-sharing dollars will be utilized by the Wildlife (WHIP) programs. Over 2/3 of the EQIP practices in the MN docket will change from 50% to a 75% cost-share percentage.

HU, Beginning and Limited Resource Producers, and Socially Disadvantaged producers will still be able to utilize the 90% cost-sharing. Please note this does not pertain to gender, such as female operators.

In 2008, MN NRCS used around \$5,000,000 for Beginning Farmers/ Limited Resource Producers. American Indian contracts had 10 high priority contracts for a total of \$83,269 out of the \$500k we set aside.

Bob Lefebvre was happy to hear that there's a continuation of the 90% cost sharing with beginning farmers. Milk producers are fully supportive of this. Ag Waste Systems, Nutrient storage facilities which are more costly could use more cost sharing. Thanks for changing from 50% to a 75% rate.

Barbara Weisman inquired about when we would know more about cost-sharing percentages in Minnesota. Tom from TNC concurred as well with the change of moving from 50-75% in cost share rates. State Conservationist Bill Hunt has already made this decision for MN.

Dale Walz, from Stearns SWCD recommended that NRCS remove the 590-595 standard acre limit. The current acre limit is 250 acres. Will consider for this and other acreage limited practices.

Les Everett brought up the fact that Local Work Group input with the change in cost-sharing percentages will become more important. The score sheet may have to be re-looked at. Agreed. However, Koehler felt the score sheet as it exists right now is working. NRCS wants to fund only the high quality applications for the conservation contracts.

Hunt reminded folks that once the STC recommends and NRCS agrees on priorities, LWG's need to be addressing State as well as their own local priorities. Hunt suggested applications with complete resource conservation systems (Resource Management Systems) should receive a higher ranking/scoring priority. Bob Lefebvre, Minnesota Milk Producers, and the STC concurred with Hunt's suggestion.

Mike Greenheck asked who might be someone that could formulate a conservation systems type of plan. Hunt pointed out TSPs and Partners; NRCS personnel. Plan developed would address all resource concerns on their land base or for a given land use. This should in fact have an impact on the scoring and ranking of applications.

Al Kean from BWSR concurred with Hunt's recommendation on changing the percentages of cost sharing. i.e. 50% to the 75% range.

Kean suggested there might be a need to enhancing Technical Assistance for the enduring conservation practices.

Leonard Binstock from Adm Coalition pointed out time is money in private industry. Agrees that money should be focused more on the planning side. Good Planning then quality installation.

Tim Gieske, MN Project; Jeff Hastings, TU concurred with the approach of using RMS systems.

Barbara Weisman, MDA questioned if there was an RMS list. Not yet.

Watershed rehabilitation program and Small Watershed program by Tim Koehler, NRCS

Tim Koehler, NRCS briefly commented about economic stimulus package. “Shovel ready” opportunities are being sought. MN NRCS is lacking enough “shovel ready” projects for this possible funding. There’s a ton of projects out there, but with the short time frame, MN NRCS has to have everything ready to go. Give us your help if you know of any projects.

Emergency Watershed Protection Program-Flood Plain Easements by Tim Koehler, NRCS

\$145 million dollars nationally. No state to receive more than \$30 million. MN could possibly use \$5 million if approved from Nat’l applications.

Landowner gets an easement payment and restoration payments. This would get money in the hands of local people that would be doing the work. A national sign-up announcement will occur in the very near term, probably in March.

Drainage Water Management Practice (544) by Leonard Binstock, ADMC

A power point was utilized for Leonard’s presentation Mark Dietrich, MDA participated in the roll-out of Leonard’s presentation.

Project shown manages the water table elevation and the timing of water discharges. A CIG grant was obtained for this project and was one of the largest grants awarded by NRCS nationwide.

The project will be completed in 2009, however an extension is being sought which would conclude this project proposal in 2010, if accepted. The following notes are some excerpts from Binstock’s power point presentation.

Benefits of Subsurface Drainage

- The most productive agricultural soils in Midwest require subsurface drainage for economic crop production.
- Subsurface drainage allows for:
 - improved soil aeration and increased crop production

- field access with equipment cultivation, planting, harvesting, etc.
- DWM is the process of managing the water table elevation and the timing of water discharges from the surface and/or subsurface agricultural drainage systems to benefit the land owner and the environment.

Background: DWM

- The concept of DWM is based on the premise that the same drainage intensity is not required at all times during the year.
- With DWM on-site, off-site and other water quality improvement and production benefits are possible.

DWM Can Benefit Crop Production

- Minimizes Yield Depression – as a result of periods of insufficient precipitation
- Drainage Management Opportunity – conserving water in field to be used by the crop later in the a season may benefit production
- Prevent Unnecessary Drainage – in some cases, unmanaged drainage systems remove water that may be needed for crop production later in the season.

Binstock suggested that the STC adopt the 554 Drainage Water Management Practice in Minnesota for cost-sharing. Hunt suggested that the Technical Guide subcommittee of the STC review the 554 Drainage Water Management Practice and give us their recommendation for adoption. A few of the Tech Guide subcommittee members include: John Brach, Paul Flynn MN NRCS members; other possible subcommittee members might be Gary Sands, University of Minnesota, MDA, DNR, etc.

Binstock expressed concern over delaying the adoption of this practice 554 Drainage Water Management Practice. Will wait to hear technical recommendations from STC Tech Guide subcommittee.

Conservation Funding Guide Update by Barbara Weisman, MDA

Barbara showcased the features of the MDA website. This is a one-stop online tour for access by farmers and other landowners related to conservation practices, programs and payments. Web site address is:

www.mda.state.mn.us/protecting/conservation/funding.htm

It is felt that the tool will encourage guests of the website to seek technical assistance. A total of 57 conservation practices exists on this website at MDA.

Fact sheets have been prepared for each of the conservation practices. Some of the fact sheets are longer than others. Side-by-side payment comparisons exist for the various conservation

practices. Clicking in on payment details showcases more of the details that explain the various conservation programs.

The timing of this tool is good in that we have a new 2008 Farm Bill yet at the same there is need to do some updates because of the Farm Bill. Keeping this website up-to-date may be a challenge in the near term, but, Weisman feels confident once the updates have been done the ability to keep this up-to-date should be do-able.

An At-a-glance sheet explains what programs pays for what practices. One sheet, front and back, which details the Conservation Funding opportunities that exists for Minnesota.

A question was raised as to when the website was going to change. Weisman did not know when that update is going to occur. This website will be publicly launched in the next 2 weeks. Access www.mda.state.us and then proceed to navigate to “protecting our land and waters”, click in on conservation and then conservation funding guide.

Kevin Lines from BWSR complimented Weisman on the development of this website project.

Wetlands Reserve Program by Timothy Koehler, NRCS

MN NRCS must set a geographic area rate cap. This is one limit to what a farmer receives for a WRP easement payment. A successful RIM/WRP joint partnership signup occurred in 2008 on about 10,000 acres of land in Minnesota. MN NRCS wants to continue to use the values that were collected last year by Dr. Taft, University of Minnesota. Parcel sales data that was collected in 2007 was published in 2008. Dr. Taft is seeing that land sales in rural areas of Minnesota are showing some value increases since 2007. He felt comfortable with the 2007 numbers and an upward adjustment of 10% for 2009 easement offers.

Non-cropland rates have been adjusted downward.

Koehler distributed a handout entitled “Determination of Market Analysis and Geographical Area Rate Cap values for the 2009 Minnesota Wetlands Reserve Program”, dated February 2009. The analysis targeted data on land sales in Aitkin County, Minnesota.

MN NRCS will be submitting the information to NHQ pertaining to the Determination of Market Analysis and Geographic Area Rate Cap values for the 2009 Wetlands Reserve Program. The STC concurred.

Farm Bill Section 2002-03 Good Faith Determinations by Sid Cornelius, NRCS

All good faith determinations issued by FSA county committee require a second level technical review and concurrence from both NRCS and FSA. No additional implementing instructions have been received by NRCS pertaining to Good Faith Determinations. Our belief is that Technical concurrence is to be done by NRCS and Administrative concurrence by FSA.

Lake Pepin comments; Les Everett

Les Everett brought up the issue of Turbidity tied to the Lake Pepin TMDL project. Everett stated that 65-75% of the sediment is coming from stream banks, bluffs and not upland fields. Everett asked how we going to get more storage and infiltration. Everett feels some temporary storage is needed. This might be a good issue to talk about at a future STC meeting.

State Acres for Wildlife enhancement (SAFE) by Greg Anderson, FSA

State Acres for Wildlife Enhancement, CP 38E. In Dec 2008 FSA received a letter from Pheasants Forever co-signed by DNR, BWSR, USFWS, MN Prairie Chicken Society and TNC requesting FSA to increase the minimum size from 40 acres to 160 acres. Also want Pennington County, MN added to the MN CRP SAFE area. Anderson said that a review has to occur by the State Technical Committee with their recommendation to the State FSA Committee.

Hunt asked about the deadline for action. Anderson said it will take a while to get through these recommendations; overall, this could be a few months.

Need recommended action by the State Technical Committee to:

1. Add Pennington County
2. Increase 40 acres for SAFE to a size of 160 acres/tract.
3. MN needs 10,000 additional acres in program (already requested by FSA).

Matt Holland from Pheasants Forever said there's a need to build functional grass habitats. Increasing the size from 40 acres to 160 acres will improve the wildlife habitat. Holland does not feel that this is going to negatively impact a lot of areas but is needed.

Sid from EPA would like to receive an electronic report from Greg Anderson regarding the letter dated DEC 3, 2008 and the fact sheet CP38E.

The State Technical Committee agreed to support all 3 recommendations and forward concurrence to the State FSA Committee.

FSA has basically used up the initial allocation of 23,100 acres for SAFE. 10,000 additional acres has already been requested by MN FSA to their national office.

Research Projects regarding CRP in Minnesota by Greg Anderson, FSA

Greg has 2 proposals. One by Gary Wyatt and Diomy Zamora. One project pertains to biomass harvest on CRP land.

The other project is a research project from the University of Minnesota on Biomass. Project title: "The Impact of Harvesting Restored Prairies for Biofuel on Wildlife, a Minnesota CDP Research Project Proposal."

Anderson provided the State Technical Committee with handouts of the research proposals.

Terry Heyer from the FS said that they have funding through the Wildlife Foundation regarding forest biomass research.

Hunt asked if there was a deadline for STC member comments. Anderson responded that the start date would be occurring in the month of March 2009.

Koehler suggested that Anderson's documents be scanned and emailed out to the State Technical Committee meeting. Hunt stated that these documents will be included in the submission of today's State Technical Committee meeting minutes to members.

Members of the State Technical Committee were encouraged to send Greg Anderson their comments ASAP.

QUESTION AND ANSWERS

Hunt asked if there were other questions or concerns from out-state telephone attendees or from the State Office meeting group.

Jeff Hastings, TU, wanted to know what the cost sharing rate was going to be for WHIP practices. Hunt/Koehler responded that the cost-share was already at 75%.

Mike Greenheck wanted to know if there were certain percentages for funding in the EQIP program regarding where the funding would go? Hunt responded that nationally, by statute, 60% of the EQIP funds have to be targeted to Livestock Production concerns. MN has traditionally achieved in the 50-55% range.

Mike Greenheck asked a question pertaining to the eligibility of land practices? It was noted that it is important to be familiar with what the various eligibility for land practices. The website that Barbara Weisman has been working on may offer a good way of seeing some of the various eligibilities for land practices and programs. Also check the NRCS website when final rules are published.

Mike Greenheck wanted to know if CRP land is eligible for an easement? Anderson, FSA, responded that other conservation easements can be placed on CRP land, such as a RIM easement. A permanent easement would make the re-enrollment into CRP difficult.

Kevin Lines, BWSR reminded the State Technical Committee that the tough budgetary times we are going through may likely impact our local conservation delivery system. The delivery system works well with landowners but will be difficult to maintain with reduced budgets and personnel. NRCS and other federal agencies understand this concern in delivering the technical assistance to landowners. Must use TSP's, Partners, and program efficiencies where possible.

Barbara Weisman asked what was the Farm Bill signing date. Hunt responded June 18, 2008, Public Law 110-246.

Water Quality Implications.

Lessard Outdoor Heritage Council funds may provide some opportunities for additional leveraging of local, state, and federal conservation program funds.

With no other items for discussion the MN STC meeting was adjourned at 1:47 p.m.